

Nation's Restaurant News

THE NEWSWEEKLY OF THE FOODSERVICE INDUSTRY

SECOND CLASS

Vol. 26, No. 5

Published every Monday by Lebhar-Friedman Inc., \$3 per issue

February 3, 1992



In the Wynkoop Brewing Co. storage room are chef Mark Schiffler, left, and co-owners John Hickenlooper, Barbara and Russell Schehrer, Martha Williams, holding son, Joe, and Jerry Williams.

NRA mobilizes rank and file to kill FICA tax

Grass-roots effort marks start of election year lobbying push

by Peter Romeo

TUCSON, Ariz. — The National Restaurant Association is mounting a grass-roots campaign to repeal the Social Security taxes that operators are assessed for servers' tips, raising hopes for a major cut in the labor expenses of full-service restaurants.

The push is part of a larger effort by the NRA to intensify the industry's lobbying efforts in coming months, when Congress and the White House will be churning out proposals in anticipation of the November elections. Association officials expect politicians to court voters and campaign contributors by promoting a number of measures that could hurt or benefit the foodservice business.

The group's lobbying forces have been "challenged to crank it up a notch in 1992 because this is such a pivotal year," Herman Cain, chairman of the NRA's Government Affairs Committee, told fellow directors during the association's recent board meeting here. "It can be a year of monumental opportunities or a year of great danger, depending on how it goes."

Cain said that the associa-

tion would focus its lobbying efforts on several concerns, including the drive by Democrats to have restaurants and other businesses pay for universal health-insurance coverage.

But he and other directors made it clear that the board regards the repeal of the tip taxes — commonly known as FICA — as its major lobbying crusade of 1992.

"We must win this, we can win this and we will win this," declared Dick Cregar, chairman of the State Relations Committee, which is orchestrating the grass-roots push for repeal. The committee has been given \$140,000 to underwrite a letter-writing- and- telephone-lobbying blitz by the association's rank-and-file members.

The NRA's Political Action Committee is also using its funds to promote repeal. Among the 53 political candidates who have received a total of \$101,000 in campaign contributions from the PAC are several congressmen and senators who have been selected specifically because of their stand on FICA.

"We invested some of our (See NRA, page 51)

And then there were three: Brewpubs face off in Denver

by Alan Liddle

DENVER — A savage sud-style showdown could be brewing in the Mile-high City as the recent openings of two large brewery restaurants here push the total to three.

After ruling the roost for nearly three years, Wynkoop Brewing Co., a specialist in English ales, German drafts and

American pub cuisine, suddenly finds itself facing off against newcomers Champion Brewing Co., a 250-seat sports bar and restaurant serving comfort foods, and the Rock Bottom Brewery, a 265-seat venture with an eclectic menu and Americanized ales.

Nevertheless, operators scoff at the suggestion of a fresh-

beer brouhaha, claiming that individual positioning and the size of the market will help them avert a competitive high noon.

"I think there is enough room for all of us because our menus and the look of each restaurant are different," said Randy Rutherford, who created (See BREWPUBS, page 51)

NRN to focus on Disney Co. for '92 study

by Jack Hayes

BURBANK, Calif. — The Walt Disney Co., a pioneer and innovator in the world of entertainment, theme parks and consumer products, will be the subject of Nation's Restaurant News' 1992 company profile.

The Nov. 23 issue of NRN will feature an in-depth look at the giant feeding operations at Disneyland in Anaheim, Calif., Walt Disney World in Orlando, Fla., Tokyo Disneyland and Euro-Disneyland — now in the (See DISNEY, page 50)

INSIDE

NY's Oyster Bar: Home of American white wines

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Real-estate sales: The Northeast land rush is on

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It's Bon Appetit for Stanford students

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Calif. operators muster forces against health-insurance push

by Alan Liddle

SACRAMENTO, Calif. — California's restaurateurs and other employers are readying defenses for a two-front assault — a ballot initiative and legislation — aimed at forcing business to pay most of the costs of extending health-insurance coverage.

The activity in California comes during an election year when lawmakers in other statehouses and Washington are also addressing health-care reform, mindful that the idea has struck a chord with voters.

Summing up the situation, Jackie Trujillo, chair of the National Restaurant Association's mandated benefits task force, recently declared, "The issue of health care has exploded."

California's latest workplace controversy centers around the California Medical Association's efforts to qualify an initiative for the November ballot.

The ballot measure, unveiled late last month, would obligate employers to pay 75 percent of "basic" health insur-

ance premiums for all full-time workers and their dependents beginning in 1994.

Two prominent state lawmakers — assembly speaker Willie Brown, D-San Francisco, and Senate minority leader Kenneth Maddy, R-Fresno — disclosed the same day that they would co-sponsor legislation to put a similar mandate on the books.

Both plans drew sharp criticism from the California Restaurant Association. The indus- (See CALIFORNIA, page 4)

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Subscription rate: Food Service operators, wholesalers/distributors and brokers/dealers, 1 yr. \$34.50; 2 yrs. \$55.00; Mr. Arch, Conslt, 1 yr. \$59; Others Allied to Field, 1 yr. \$89.
 Nation's Restaurant News (ISSN 0028-0518) is published weekly, every Monday except the first Monday in July and the last Monday in December, by Lebhar-Friedman, Inc., 425 Park Ave., New York, N.Y. 10022. Second-class postage paid at New York, N.Y., and additional mailing offices.
 POSTMASTER: Send change of address to Subscription Department, Nation's Restaurant News, P.O. Box 31179, Tampa, Fla. 33631-3179.
 For change of address, please write Subscription Dept., Nation's Restaurant News, P.O. Box 31179, Tampa, Fla. 33631-3179.

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NEWS BRIEFS

Pizza Hut eyes purchase of PMI to end dispute

SAN ANTONIO — Pizza Hut said it may purchase its largest privately held franchise, 240-unit Pizza Management Inc., to end a long-standing legal battle with the operation's owner, Arturo Torres.

In 1986 Torres sued Pizza Hut for refusing to allow him to take his company public. Pizza Hut countersued, seeking to oust PMI from the system.

The dispute has since grown more bitter. Torres, a Cuban-American, has run ads that accuse Pizza Hut's parent company, PepsiCo, of being biased against him. The accusations captured the attention of the Hispanic Congressional Caucus and Hispanic activist groups, some of whom were in the early stages of planning a Hispanic boycott against PepsiCo.

"The parties are actively engaged in discussions," said Torres' attorney, Larry Klenda.

Pizza Hut said it was looking for an amicable solution, either through the purchase of PMI or some other means.

Calif. Supreme Court overturns bone injury law

SAN FRANCISCO — Ruling that a man can sue a restaurant for injuries caused by a 1-inch bone in a chicken enchilada, the California Supreme Court has overturned a 55-year-old doctrine protecting the state's food-service industry from claims involving "naturally occurring" substances in dishes.

Five other states have legal standards similar to the one that was struck down in California. Most of them have already expanded restaurants' potential liability for objects found in their food.

In the California decision chief justice Malcolm M. Lucas wrote that it is reasonable for customers to expect restaurants to exercise care in preparations "so that any natural substances contained in the food will not be either of such size, shape or quantity to cause injury when consumed."

However, the 4-3 majority opinion held that a plaintiff must still prove negligence to collect damages. The three dissenting justices, favoring a more sweeping reversal of the court's old "chicken-bone" doctrine, argued that strict liability should apply in cases of "natural" substances, the same as in those involving foreign articles like glass or wire.

Denny's ceases payment practices that sparked furor

SAN JOSE, CALIF. — Responding to angry protests and the threat of lawsuits by African-Americans, Denny's has agreed to drop a late-night minimum charge at a number of restaurants nationwide and

halt at least temporarily a pay-when-you-order policy for large groups that patronize units here during the evening and early morning.

Denny's chief operating officer, Bernard Scott, was the center of considerable media attention recently when he visited San Jose to meet with the National Association for the Advancement of Colored People and the Public Interest Law Group. Those two organizations represent a group of 18 black teen-agers who allege they were the victims of racial discrimination in December when they were asked to pay for their food when they ordered it.

Denny's officials have said they are looking into the incident at the San Jose restaurant and will take action if they discover any improprieties. They explained that some restaurants instituted a pay-when-you-order policy because of incidents where customers bolted without paying for what they ate.

According to the San Jose Mercury News, Scott agreed to consider dropping the pay-when-you-order policy at about 30 other restaurants and would consider compensating the black youths and making a contribution to the NAACP. The San Jose newspaper said Scott had indicated that the family restaurant chain would also make sure the term "black out," which some current and past employees contend was used to describe times when a large number of blacks entered restaurants, would never be used and would consider enrolling employees in "sensitivity" training.

Cain put in line for NRA prexy post

TUCSON, Ariz. — Herman Cain, chief executive of Godfather's Pizza, has been selected to serve as the 1992-93 treasurer of the National Restaurant Association, putting him in line to become president of the association in 1994.

Cain would be the first African-American to head the organization, which will celebrate its 75th anniversary in 1994.

At the NRA's recent board meeting here, Richard Marriott, vice chairman of Marriott Corp., was named NRA's president for 1992-93, and Steve Elmont, chairman of Creative Gourmet, a Boston-based contract feeder, was selected as vice president. Marriott was previously vice president, and Elmont was treasurer.

Under the NRA's rules of succession, Elmont will serve as president for 1993-94.

All three officers will assume their new one-year posts at the NRA's board meeting in Chicago in May.

Bombaywala group buys 5% stake in Stop N Go

HOUSTON — Ghulum Bombaywala, chairman and president of Two Pesos, has teamed up with an investment banking firm to purchase 1.1 million shares in National Conve-

nience Stores, the bankrupt operator of the Stop N Go convenience-store chain, for about \$1 million.

The purchase gives the partnership a 5-percent stake in the 250-unit chain.

Snow files Ch. 11 for Vegas center

LAS VEGAS — Bob Snow, the antique collector cum developer, has sought Chapter 11 bankruptcy protection for his Main Street Station hotel-restaurant-casino complex here, just four months after the \$82 million facility opened.

In a filing in the federal bankruptcy court here, Snow listed liabilities of \$46 million. He said he could not list assets until property appraisals had been complete.

Snow, who is perhaps better known for the Church St. Station complex in Orlando, Fla., from which he drew the inspiration for the Main Street project, told the court that three of the four restaurants in Main Street Station have been closed, forcing 225 people out of work.

Meanwhile, The Las Vegas Sun reported that Main Street Station was imperiled from the beginning, opening in a location far from the busy casino strip. The paper said prices at the complex's restaurants were five times higher than the charges of downtown locations.

Chicago operator files lawsuit to end special tax

CHICAGO — John Davis, owner of Geja's Cafe and Montana Street Cafe here, has filed suit in Cook County Circuit Court, seeking to prevent a 1-percent sales tax increase applying only to lakefront district restaurants.

The Illinois Legislature authorized the tax last September to help fund expansion of McCormick Place. The tax would apply only to restaurants located within a newly created district along the lakefront within a few miles of the exposition center as well as to restaurants at Midway and O'Hare airports.

Davis commented that the tax is unfair and puts restaurants in the district at a competitive disadvantage. He also argues that conventioners are not likely to patronize the district's "ma-and-pa" restaurants, such as his.

Taco Time rolls vegetarian item

EUGENE, Ore. — Choosing to menu new items as an alternative to deep discounting in the hotly contested quick-service Mexican segment, 277-unit Taco Time International is rolling out a vegetarian burrito.

Called the Veggie Burrito, the new 10.7-ounce item is made with a whole-wheat tortilla, animal-fat-free refried pinto beans, brown rice, shredded Cheddar, sunflower seeds, salsa and sour cream.

A spokeswoman said the new product has an introductory price of \$1.69.